



FINANCIAL HIGHLIGHTS



TOWN OF
ST. FRANCISVILLE
8-31-14

TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 2014

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 – 2
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	3 – 9
BASIC FINANCIAL STATEMENTS:	
<u>Government-Wide Financial Statements (GWFS)</u>	
Statement of Net Position	10
Statement of Activities	11
<u>Fund Financial Statements (FFS)</u>	
<u>Governmental Funds:</u>	
Balance Sheet	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to Statement of Activities	15
<u>Enterprise Funds:</u>	
Balance Sheet	16 – 17
Statement of Revenues, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19 – 20
Notes to the Financial Statements	21 – 38

TABLE OF CONTENTS

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
Major Fund Descriptions	39
Budgetary Comparison Schedules:	
General Fund	40 – 41
Sales and Use Tax Fund	42 – 43
Economic Development Fund	44
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Principal Officials and Salaries (Unaudited)	45
Schedule of Insurance in Force (Unaudited)	46
Schedule of Gas and Water Rates (Unaudited)	47
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48 – 49
Schedule of Findings	50 – 51
Summary Schedule of Prior Audit Findings	52 – 53
Corrective Action Plan	54 – 55

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of St Francisville, Louisiana, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the Town of St Francisville's basic financial statements as listed in the table of contents.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of St Francisville, Louisiana, as of August 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 39 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of St Francisville, Louisiana's basic financial statements. The Schedules of Principal Officials and Salaries is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Principal Officials and Salaries is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Insurance-in-Force and Public Utility System Operations schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report January 13, 2015 on our consideration of the Town of St Francisville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of St Francisville, Louisiana's internal control over financial reporting and compliance.

Donaldsonville - LA

Donaldsonville, LA
January 13, 2015

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

This section of the Town of St. Francisville's (the Town) annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on August 31, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Town's combined total net position increased by \$848,972 or 13.5% over the course of this year's operations. Net position of our governmental activities decreased (\$125,243) or 2.4% while net position of our business-type activities increased \$974,215 or 86.5%.
- The general fund reported a \$1.22 million fund balance at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for all major governmental funds. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the water and gas systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the Town's financial statements, including the portion of the Town's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

Figure A-1 Major Features of the Town's Government and Fund Financial Statements				
	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and streets	Activities the Town operates similar to private businesses: the water and gas system	
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expense, and changes in net position • Statement of cash flows 	
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term debt	
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position - the difference between the Town's assets and liabilities - is one way to measure the Town's financial health or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional nonfinancial factors such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities - most of the Town's basic services are included here, such as the police, fire, public works, and general administration. Property taxes, sales taxes, franchise fees, and interest finance most of these activities.
- Business-type activities - The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water and gas systems are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by State law, while others may be required by bond covenants. The Town has two kinds of funds:

- Governmental funds - Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

- Proprietary funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Table A-1				
Town's Net Position				
	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Current and other assets	\$ 1,671,489	\$ 1,605,424	\$ 320,345	\$ 440,026
Capital assets	4,063,238	4,309,972	2,043,687	2,179,233
Total assets	5,734,727	5,915,396	2,364,032	2,619,259
Current liabilities	173,395	159,191	145,823	241,105
Long term liabilities	528,458	598,088	117,249	1,251,409
Total liabilities	701,853	757,279	263,072	1,492,514
Net position				
Net investment in capital assets	3,479,186	3,684,518	1,913,687	926,365
Restricted	112,734	64,027	114,743	113,950
Unrestricted	1,440,954	1,409,572	72,530	86,430
Total net position	\$ 5,032,874	\$ 5,158,117	\$ 2,100,960	\$ 1,126,745

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

Change in net position. The Town's total revenues increased \$997,758 (See Table A-2). Approximately 33.1 percent of the Town's revenue comes from charges for services, and 22.1 percent comes from tax collections.

The total cost of all programs and services increased by \$256,612.

	Table A-2			
	Changes in Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Revenues				
Program revenues				
Charges for services	\$ 205,771	\$ 203,923	\$ 1,154,285	\$ 1,076,981
Capital grants and contributions	36,897	154,013	-	158,533
General revenues				
Taxes	907,968	913,565	-	-
Licenses and permits	174,271	171,735	-	-
State grant revenue	-	-	1,087,868	-
Intergovernmental	55,144	77,557	-	-
Miscellaneous	626,926	546,529	(134,552)	(186,016)
Total revenues	2,006,977	2,067,322	2,107,601	1,049,498
Expenses				
General government	826,981	878,496	977,262	850,105
Public safety	639,663	541,980	-	-
Streets	224,804	192,344	-	-
Economic development	107,849	110,209	-	-
Debt service expenses:				
Interest and fiscal charges	9,485	13,494	-	-
Depreciation	323,438	277,881	156,124	152,534
Total expenses	2,132,220	2,014,404	1,133,386	1,002,639
Increase (decrease) in net position	\$ (125,243)	\$ 52,918	\$ 974,215	\$ 46,859

Governmental Activities

Revenues for the Town's governmental activities decreased \$60,345 or 2.9 percent, while total expenses increased \$117,816 or 5.8 percent.

Business-type Activities

Revenues for the Town's business-type activities increased \$1,058,103 or 101 percent and costs of services increased \$130,747 or 13.0 percent.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed the year, its governmental funds reported a combined fund balance of approximately \$1.58 million while the enterprise funds reported combined net position of approximately \$2.10 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town Council revised the Town's General Fund budget to adjust various revenues and expenses. With these adjustments, actual expenditures were approximately \$79,400 less than final budgeted expenditures. Also, actual revenues were approximately \$104,000 more than final budgeted revenues.

CAPITAL ASSETS

At August 31, 2014, the Town had invested approximately \$6.11 million in a broad range of capital assets, including police and fire department equipment, buildings, vehicles, and gas and water systems. (See Table A-3) This amount represents a net decrease (including additions and deductions) of \$382,280 over last year.

	Table A-3			
	Town's Capital Assets			
	Governmental Activities		Business Activities	
	2014	2013	2014	2013
Improvements other than buildings	\$ 3,767,897	\$ 2,723,185	\$ -	\$ -
Buildings	877,509	877,509	861,630	702,449
Equipment	2,442,859	2,370,643	3,890,153	3,886,938
Land	565,886	565,886	6,523	6,523
Construction in Progress	-	1,044,712	17,363	159,181
Accumulated depreciation	(3,590,913)	(3,271,963)	(2,731,982)	(2,575,858)
Total	\$ 4,063,238	\$ 4,309,972	\$ 2,043,687	\$ 2,179,233

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
2014

Long-term debt. At the end of the current fiscal year, the Town had long term debt outstanding of \$741,206 as compared to \$1,928,416 in the prior year, a decrease of \$1,187,210 or 61.6 percent. (See Table A-4) This decrease is due to a transfer of ownership of highway property for a credit of the existing DOTD URAF liability coupled with payments of principle in the current. More information about the Town's long-term liabilities is presented in Note 5 to the financial statements.

	Table A-4			
	Town's Outstanding Debt			
	Governmental Activities		Business Activities	
	2014	2013	2014	2013
Sales tax revenue refunding bond	\$ 268,800	\$ 264,202	\$ -	\$ -
Certificates of Indebtedness	-	-	130,000	165,000
Revolving Loan-DEQ Sewer Upgrade	315,252	361,252	-	-
DOTD URAF Liability	-	-	-	1,087,868
Capital Leases	11,038	24,030	16,116	26,064
Total	\$ 595,090	\$ 649,484	\$ 146,116	\$ 1,278,932

NEW ACCOUNTING PRONOUNCEMENT IMPLEMENTED

The Town implemented Governmental Accounting Standards Board (GASB) Statement 65, Items Previously Reported as Assets and Liabilities in fiscal year 2014. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's major sources of revenue for the general and sales tax funds are comprised from sales tax, licenses and permits, and charges for services. The economy is not expected to generate any significant growth.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Shannon Sturgeon, PO Box 400, St. Francisville, LA 70775.

TOWN OF ST. FRANCISVILLE**St. Francisville, LA****STATEMENT OF NET POSITION****AUGUST 31, 2014**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 676,655	\$ 99,710	\$ 776,365
Investments	738,086	234	738,320
Accounts receivable	23,560	102,621	126,181
Interest receivable	1,559	-	1,559
Due from other governmental units	75,995	-	75,995
Interfund receivable	469	3,037	3,506
Prepaid insurance	42,431	-	42,431
Cash - restricted	112,734	114,743	227,477
Land, building, and equipment - net	4,063,238	2,043,687	6,106,925
 TOTAL ASSETS	 5,734,727	 2,364,032	 8,098,759
<u>LIABILITIES</u>			
Accounts payable	58,608	20,856	79,464
Accrued payables	28,281	84,967	113,248
Interfund payable	3,506	-	3,506
Long-term liabilities:			
Compensated absences	16,368	11,133	27,501
Leases payable			
Due within one year	11,038	10,579	21,617
Due in more than one year	-	5,537	5,537
Bonds Payable			
Due within one year	83,000	40,000	123,000
Due in more than one year	501,052	90,000	591,052
 TOTAL LIABILITIES	 701,853	 263,072	 964,925
<u>NET POSITION</u>			
Net investment in capital assets	3,479,186	1,913,687	5,392,873
Restricted	112,734	114,743	227,477
Unrestricted	1,440,954	72,530	1,513,484
 TOTAL NET POSITION	 \$ 5,032,874	 \$ 2,100,960	 \$ 7,133,834

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

	Program Revenues			Net Program (Expense)/Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<u>Functions/Programs</u>						
Governmental activities:						
General government	\$ 826,981	\$ 205,771	\$ 35,000	\$ (586,210)	\$ -	\$ (586,210)
Public safety	639,663	-	1,897	(637,766)	-	(637,766)
Streets	224,804	-	-	(224,804)	-	(224,804)
Economic development	107,849	-	-	(107,849)	-	(107,849)
Debt service:						
Interest and fiscal charges	9,485	-	-	(9,485)	-	(9,485)
Depreciation (unallocated)	323,438	-	-	(323,438)	-	(323,438)
Total governmental activities	<u>2,132,220</u>	<u>205,771</u>	<u>36,897</u>	<u>(1,889,552)</u>	<u>-</u>	<u>(1,889,552)</u>
Business-type activities:						
Gas services	734,056	804,554	-	-	70,498	70,498
Water services	399,330	349,731	-	-	(49,599)	(49,599)
Total business-type activities	<u>1,133,386</u>	<u>1,154,285</u>	<u>-</u>	<u>-</u>	<u>20,899</u>	<u>20,899</u>
General revenues:						
Ad valorem taxes				\$ 114,395	\$ -	\$ 114,395
Sales and use taxes				793,573	-	793,573
Licenses and permits				174,271	-	174,271
State grant revenue				-	1,087,868	1,087,868
Intergovernmental revenue				55,144	-	55,144
Earnings on investments				128	138	266
Fines				169,048	-	169,048
Other				306,076	16,984	323,060
Transfers (to) from other funds				151,674	(151,674)	-
Total general revenues				<u>1,764,309</u>	<u>953,316</u>	<u>2,717,625</u>
Change in net position				(125,243)	974,215	848,972
Net Position - September 1, 2013				5,158,117	1,126,745	6,284,862
Net Position - August 31, 2014				<u>\$ 5,032,874</u>	<u>\$ 2,100,960</u>	<u>\$ 7,133,834</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GOVERNMENTAL FUNDS
BALANCE SHEET
AUGUST 31, 2014

	General	Sales and Use Tax	Economic Development	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 483,052	\$ 161,884	\$ 31,719	\$ 676,655
Investments	738,086	-	-	738,086
Accounts receivable	2,922	20,638	-	23,560
Interest receivable	1,559	-	-	1,559
Due from other governmental units	21,084	54,911	-	75,995
Prepaid insurance	42,431	-	-	42,431
Cash - restricted	-	112,734	-	112,734
Interfund receivables	-	469	-	469
 TOTAL ASSETS	 \$ 1,289,134	 \$ 350,636	 \$ 31,719	 \$ 1,671,489
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Salaries, payroll deductions, and withholdings payable	13,479	6,969	723	21,171
Accounts payable	54,287	3,430	891	58,608
Interfund payables	3,506	-	-	3,506
 TOTAL LIABILITIES	 71,272	 10,399	 1,614	 83,285
Fund balances:				
Restricted				
Debt service	-	112,734	-	112,734
Sanitary sewer system operations	-	227,503	-	227,503
Economic development	-	-	30,105	30,105
Unassigned, reported in General Fund	1,217,862	-	-	1,217,862
 TOTAL FUND BALANCES	 1,217,862	 340,237	 30,105	 1,588,204
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 1,289,134	 \$ 350,636	 \$ 31,719	 \$ 1,671,489

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2014

Total fund balances - governmental funds		\$ 1,588,204
Cost of capital assets at August 31, 2014	\$ 7,654,151	
Less: accumulated depreciation as of August 31, 2014	<u>(3,590,913)</u>	4,063,238
Long-term liabilities at August 31, 2014:		
Obligations under capital lease	\$ (11,038)	
LDEQ Clean Water State Revolving Loan	(315,252)	
Sales tax revenue refunding bond	(268,800)	
Accrued interest payable	(7,110)	
Compensated absences payable	<u>(16,368)</u>	<u>(618,568)</u>
Total net position at August 31, 2014 - governmental activities		<u>\$ 5,032,874</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED AUGUST 31, 2014

	General	Sales and Use Tax	Economic Development	Total
<u>REVENUES</u>				
Taxes	\$ 114,395	\$ 678,573	\$ -	\$ 792,968
Hotel/Motel tax	-	-	115,000	115,000
Grants	1,897	35,000	-	36,897
Licenses and permits	174,271	-	-	174,271
Intergovernmental	55,144	-	-	55,144
Charges for services	1,000	204,771	-	205,771
Fines	169,048	-	-	169,048
Other	290,728	2,039	12,135	304,902
Total revenues	<u>806,483</u>	<u>920,383</u>	<u>127,135</u>	<u>1,854,001</u>
<u>EXPENDITURES</u>				
General government	298,146	308,131	-	606,277
Public safety	636,937	-	-	636,937
Streets	224,804	-	-	224,804
Sanitation	-	215,006	8,444	223,450
Culture, recreation, and economic development	-	-	99,405	99,405
Capital outlay	40,954	39,860	-	80,814
Debt service:				
Principal or lease retirement	11,216	46,000	-	57,216
Interest and fiscal charges	-	3,455	-	3,455
Total expenditures	<u>1,212,057</u>	<u>612,452</u>	<u>107,849</u>	<u>1,932,358</u>
Excess of revenues over (under) expenditures	<u>(405,574)</u>	<u>307,931</u>	<u>19,286</u>	<u>(78,357)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Bond proceeds	-	4,598	-	4,598
Operating transfers in	529,858	41,351	936	572,145
Operating transfers out	<u>(133,982)</u>	<u>(281,463)</u>	<u>(5,026)</u>	<u>(420,471)</u>
Total other financing sources (uses)	<u>395,876</u>	<u>(235,514)</u>	<u>(4,090)</u>	<u>156,272</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(9,698)</u>	<u>72,417</u>	<u>15,196</u>	<u>77,915</u>
<u>FUND BALANCE</u>				
Beginning of year	1,227,560	267,820	14,909	1,510,289
End of year	<u>\$ 1,217,862</u>	<u>\$ 340,237</u>	<u>\$ 30,105</u>	<u>\$ 1,588,204</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

Total net changes in fund balance - governmental funds		\$	77,915
Capital assets:			
Capital outlay and other expenditures capitalized	\$	78,016	
Loss on disposition of capital asset		(1,312)	
Depreciation expense for the year ended August 31, 2014		<u>(323,438)</u>	(246,734)
Long-term debt:			
Principal portion of debt payments	\$	46,000	
Excess of interest paid over interest accrued		(6,030)	
Proceeds from Sales Tax Revenue Refunding Bond		(4,598)	
Capital lease payments		12,992	
Excess of compensated absences accrued over amounts paid		<u>(4,788)</u>	<u>43,576</u>
Change in net position - governmental activities		\$	<u><u>(125,243)</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
BALANCE SHEET
AUGUST 31, 2014

<u>ASSETS</u>	Gas Utility Fund	Water Utility Fund	Total
<u>CURRENT</u>			
Cash	\$ 77,040	\$ 22,670	\$ 99,710
Investments	-	234	234
Accounts receivable - net of allowance for uncollectible accounts	57,659	44,962	102,621
Interfund receivables	2,250	787	3,037
Total current assets	136,949	68,653	205,602
<u>RESTRICTED CASH</u>			
Meter Deposit Fund	70,255	36,525	106,780
Debt Sinking Account	-	7,963	7,963
Total restricted assets	70,255	44,488	114,743
<u>CAPITAL ASSETS</u>			
Gas system and equipment - net	1,342,102	-	1,342,102
Water system and equipment - net	-	701,585	701,585
Total fixed assets	1,342,102	701,585	2,043,687
 TOTAL ASSETS	 \$ 1,549,306	 \$ 814,726	 \$ 2,364,032

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
BALANCE SHEET
AUGUST 31, 2014

	Gas Utility Fund	Water Utility Fund	Total
<u>LIABILITIES & NET POSITION</u>			
<u>CURRENT LIABILITIES</u>			
Payable from current assets:			
Accounts payable	\$ 18,817	\$ 2,039	\$ 20,856
Accrued expenses	6,205	5,059	11,264
Payable from restricted assets:			
Bonds payable in one year	-	40,000	40,000
Accrued interest payable	-	640	640
Customer deposits	51,592	21,471	73,063
Total current liabilities	<u>76,614</u>	<u>69,209</u>	<u>145,823</u>
<u>LONG-TERM LIABILITIES</u>			
Bonds payable after one year	-	90,000	90,000
Leases payable	16,116	-	16,116
Compensated absences	6,524	4,609	11,133
Total long-term liabilities	<u>22,640</u>	<u>94,609</u>	<u>117,249</u>
 Total liabilities	 <u>99,254</u>	 <u>163,818</u>	 <u>263,072</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,342,102	571,585	1,913,687
Restricted	70,255	44,488	114,743
Unrestricted	<u>37,695</u>	<u>34,835</u>	<u>72,530</u>
 Total net position	 <u>1,450,052</u>	 <u>650,908</u>	 <u>2,100,960</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 1,549,306</u>	 <u>\$ 814,726</u>	 <u>\$ 2,364,032</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED AUGUST 31, 2014

	Gas Utility Fund	Water Utility Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 804,187	\$ 346,879	\$ 1,151,066
Miscellaneous	14,733	5,470	20,203
Total operating revenues	<u>818,920</u>	<u>352,349</u>	<u>1,171,269</u>
<u>OPERATING EXPENSES</u>			
Gas - purchases	320,845	-	320,845
Depreciation	76,068	80,056	156,124
Other	335,705	306,601	642,306
Total operating expenses	<u>732,618</u>	<u>386,657</u>	<u>1,119,275</u>
Operating income (loss)	<u>86,302</u>	<u>(34,308)</u>	<u>51,994</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Forgiveness of debt	1,087,868	-	1,087,868
Investment earnings	93	45	138
Interest expense	(1,438)	(12,673)	(14,111)
Total non-operating revenues (expenses)	<u>1,086,523</u>	<u>(12,628)</u>	<u>1,073,895</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	11,693	133,200	144,893
Transfers out	(177,867)	(118,700)	(296,567)
	<u>(166,174)</u>	<u>14,500</u>	<u>(151,674)</u>
Net gain/(loss)	<u>1,006,651</u>	<u>(32,436)</u>	<u>974,215</u>
<u>NET POSITION</u>			
Beginning of year	443,401	683,344	1,126,745
End of year	<u>\$ 1,450,052</u>	<u>\$ 650,908</u>	<u>\$ 2,100,960</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2014

	Gas Utility Fund	Water Utility Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 813,685	\$ 410,016	\$ 1,223,701
Cash received from others	-	5,470	5,470
Cash payments to suppliers for goods and services	(450,951)	(260,478)	(711,429)
Cash payments to employees for services	(199,261)	(153,223)	(352,484)
Net cash provided by operating activities	<u>163,473</u>	<u>1,785</u>	<u>165,258</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers to/(from) other funds	(168,424)	37,618	(130,806)
Net cash provided (used) by noncapital financing activities	<u>(168,424)</u>	<u>37,618</u>	<u>(130,806)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:			
Principal paid on revenue bond maturities	-	(35,000)	(35,000)
Interest paid on revenue bonds	(1,438)	(12,673)	(14,111)
Acquisition of capital assets	(20,578)	-	(20,578)
Forgiveness of DOTD loan	-	-	-
Capital lease proceeds received	(9,948)	-	(9,948)
Net cash used for capital and related financing	<u>(31,964)</u>	<u>(47,673)</u>	<u>(79,637)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	93	45	138
Net cash provided by investing activities	<u>93</u>	<u>45</u>	<u>138</u>
NET INCREASE (DECREASE) IN CASH	(36,822)	(8,225)	(45,047)
CASH AT BEGINNING OF YEAR	113,862	30,895	144,757
CASH AT END OF YEAR	<u>\$ 77,040</u>	<u>\$ 22,670</u>	<u>\$ 99,710</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2014

	Gas Utility Fund	Water Utility Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 86,302	\$ (34,308)	\$ 51,994
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	76,068	80,056	156,124
Change in assets and liabilities:			
Accounts receivable	(5,396)	59,955	54,559
Other receivables	-	2,792	2,792
Accounts payable	3,157	(107,693)	(104,536)
Accrued expenses	1,126	(1,008)	118
Meter deposits	161	390	551
Compensated absences	2,055	1,601	3,656
Total adjustments	77,171	36,093	113,264
Net cash provided by operating activities	\$ 163,473	\$ 1,785	\$ 165,258

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of St. Francisville, Louisiana dates from 1785; the date the monastery was built in honor of St. Francis of Assisi.

The Town adopted the provisions of the Lawrason Act on January 23, 1956, and operates under a Mayor-Board of Aldermen form of government.

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental unites and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

The following is a summary of certain significant accounting policies and practices:

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the Town of St Francisville. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Basis of Presentation, Basis of Accounting (continued)

GASB Statement No. 65, *Items previously reported as Assets and Liabilities*, effective for financial statement periods ending after December 15, 2013, established accounting and reporting standards that reclassified certain items that were previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources. GASB Statement 65 does not have an impact on the Town of St. Francisville's financial statements at this time, as it does not contain items that need to be reclassified as defined in this statement.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category—*governmental and proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Sales Tax Fund - The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system. All remaining proceeds from the tax may be used by the Town for any lawful purposes.

Economic Development Fund - This fund accounts for the Town's expenditures to promote economic development and tourism.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Basis of Presentation, Basis of Accounting (continued)

The Town reports the following major enterprise funds:

Enterprise Funds - Enterprise Funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Gas Utility Fund - The Gas Utility Fund accounts for the activities of providing natural gas.

Water Utility Fund - The Water Utility Fund accounts for the activities of providing water.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund Financial Statements. Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, intergovernmental revenues, and interest are considered to be susceptible to accrual. Fines, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, and Proprietary Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

The level of budgetary control is total appropriations. Budgeted amounts included in the financial statements include the original adopted budget, and the final amended budget.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Cash and Investments

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, and federal obligations, are stated at market value.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in obligations of the U.S. Treasury and U.S. agencies, demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Operating Transfers In and Out; Due to/from Funds

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

Compensated Absences

Employees earn vacation leave at various rates depending upon length of their employment. Amounts of vested or accumulated vacation leave of governmental funds are expected to be liquidated with expendable available resources of these funds and are recorded as an expense and liability on the government-wide financial statements at year end. Vested or accumulated sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. Employees earn sick leave at various rates depending on length of their employment. Employees can accrue up to 1,040 hours of sick leave but is not payable to the employee at retirement or termination of employment. There is no accrual for sick leave.

Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Encumbrances

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Equity Classifications

Government-wide Statements: In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements: In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Equity Classifications (continued)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts, and finally unassigned amounts, as needed, unless the Town has provided otherwise in its committed or assignment actions.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town has elected not to report major general infrastructure assets retroactively. The Town began reporting infrastructure assets beginning September 1, 2005.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	7-40 years
Sewer Improvements	20-25 years
Equipment	5-20 years

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

Capital Assets (continued)

Depreciation of all exhaustible capital assets used is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas Plant	33 years
Buildings	20 years
Office Equipment	5-10 years
Automotive Equipment	5 years

All capital assets are stated at historical cost less accumulated depreciation.

2. **Ad Valorem Taxes**

Ad valorem taxes attach as an enforceable lien on property as of February 28 of each year. Taxes are levied and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of West Feliciana Parish. For the year ended August 31, 2014, taxes of 5.66 mills were levied on property with assessed valuations totaling \$20,226,308 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended August 31, 2014 totaled \$114,395.

3. **Due from Other Governmental Units**

Amounts due from other governmental units at August 31, 2014 consisted of the following:

West Feliciana Parish School Board	\$ 54,911
Utilities taxes (Entergy and Dixie Electric)	<u>21,084</u>
	<u>\$ 75,995</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

4. Capital Assets

Capital assets and depreciation activity as of and for the year ended August 31, 2014 are as follows:

Governmental Activities:

	Balance 8/31/13	Additions	Deletions	Transfers	Balance 8/31/14
Land	\$ 565,886	\$ -	\$ -	\$ -	\$ 565,886
Improvements other than buildings	2,723,185	-	-	1,044,712	3,767,897
Buildings	877,509	-	-	-	877,509
Equipment	2,370,643	78,016	(5,800)	-	2,442,859
Construction in progress	1,044,712	-	-	(1,044,712)	-
	<u>7,581,935</u>	<u>78,016</u>	<u>(5,800)</u>	<u>-</u>	<u>7,654,151</u>
Less: Accumulated Depreciation	<u>(3,271,963)</u>	<u>(323,438)</u>	<u>4,488</u>	<u>-</u>	<u>(3,590,913)</u>
Net Capital Assets	<u>\$ 4,309,972</u>	<u>\$ (245,422)</u>	<u>\$ (1,312)</u>	<u>\$ -</u>	<u>\$ 4,063,238</u>

Depreciation expense for the year ended August 31, 2014 totaled \$ 323,438.

Business-Type Activities:

	Balance 8/31/13	Additions	Deletions	Transfers	Balance 8/31/14
Land	\$ 6,523	\$ -	\$ -	\$ -	\$ 6,523
Buildings and Improvements	702,449	-	-	159,181	861,630
Equipment	3,886,938	3,215	-	-	3,890,153
Construction in progress	159,181	17,363	-	(159,181)	17,363
	<u>4,755,091</u>	<u>20,578</u>	<u>-</u>	<u>-</u>	<u>4,775,669</u>
Accumulated Depreciation	<u>(2,575,858)</u>	<u>(156,124)</u>	<u>-</u>	<u>-</u>	<u>(2,731,982)</u>
Net Capital Assets	<u>\$ 2,179,233</u>	<u>\$ (135,546)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,043,687</u>

Depreciation expense for the year ended August 31, 2014 totaled \$ 156,124

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

5. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended August 31, 2014:

	Balance 8/31/13	Additions	Deletions	Balance 8/31/14
<u>Governmental Activities</u>				
Bonds and notes payable				
Revolving loan-DEQ sewer upgrade	\$ 361,252	\$ -	\$ 46,000	\$ 315,252
Sales tax revenue refunding bond	264,202	4,598	-	268,800
	<u>\$ 625,454</u>	<u>\$ 4,598</u>	<u>\$ 46,000</u>	<u>\$ 584,052</u>
<u>Business- type Activities</u>				
Certificate of indebtedness series 2007	\$ 165,000	\$ -	\$ 35,000	\$ 130,000
DOTD URAF liability	1,087,868	-	1,087,868	-
	<u>\$ 1,252,868</u>	<u>\$ -</u>	<u>\$1,122,868</u>	<u>\$ 130,000</u>

Bonds payable at August 31, 2014 are comprised of the following individual issues:

Governmental Activities:

Revenue Bond - DEQ Sewer Upgrade

The Town was granted a \$1,000,000 revolving loan from DEQ for a period of 20 years with an interest rate of 0.95%.

\$ 315,252

\$264,202 Sales tax revenue refunding bond, Series 2013 – Due in 8 yearly payments of \$38,242 through November 2020, including interest at 2.0. This bond replaced the Public equipment (Fire Truck) revenue bond

\$ 268,800

Business-Type Activities:

\$350,000 Certificate of Indebtedness, Series 2007 – due in approximate annual installments of \$44,000 through August 2017, including interest at 4.65%.

\$ 130,000

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

5. Long-Term Debt (continued)

The annual requirements to amortize all debt outstanding as of August 31, 2014 including interest of approximately \$68,399 is as follows:

<u>Year Ending August 31,</u>	<u>DEQ Sewer Upgrade Liability</u>	<u>Certificates of Indebtedness</u>	<u>Sales Tax Refunding Bonds</u>	<u>Total</u>
2015	\$ 53,672	\$ 45,813	\$ 41,016	\$ 140,501
2016	53,226	43,953	41,286	138,465
2017	53,780	52,093	40,546	146,419
2018	53,324	-	40,796	94,120
2019	53,868	-	41,026	94,894
Thereafter	84,590	-	83,462	168,052
	<u>\$ 352,460</u>	<u>\$ 141,859</u>	<u>\$ 288,132</u>	<u>\$ 782,451</u>

The current portion of long-term bonded debt is \$ 123,000 and the long-term portion is \$ 591,052.

Compensated absences

Compensated absences consist of a portion of accumulated vacation for which the Town may have an obligation to pay for vacation earned on each employees hire date but not taken at August 31. All amounts shown in the summary of long term obligations table were computed using the employee's daily rate of pay as of August 31, 2014.

Capital leases

The Town entered into several master lease purchases agreements with Ford Motor Company to finance the acquisition of vehicles. Principle and interest requirements are funded by the normal operations of the Town within the appropriate fund.

<u>Capital Lease Date of issue</u>	<u>Original issue</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
F350 Ford Truck May 8, 2013	\$ 31,290	6.20%	February 2, 2016	\$ 886	\$ 16,116
Interceptor Police Car October 17, 2012	\$ 31,658	6.20%	July 17, 2015	\$ 431	\$ 11,038

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

5. Long-Term Debt (continued)

The following is a schedule of future minimum payments required under the leases as of August 31, 2014.

Year Ending August 31	F350 Ford Truck	Interceptor Car
2015	\$ 11,336	\$ 11,469
2016	5,667	-
Total minimum lease payments	17,003	11,469
Less amount representing interest	887	431
Present value of minimum lease payments	\$ 16,116	\$ 11,038

Summary of long-term obligations

Governmental Activities

	Bonds	Capital Lease	Compensated Absences	Total
Balance at September 1, 2013	\$ 625,454	\$ 24,030	\$ 11,580	\$ 661,064
Additions	4,598	-	4,788	9,386
Deductions	(46,000)	(12,992)	-	(58,992)
Balance, August 31, 2014	\$ 584,052	\$ 11,038	\$ 16,368	\$ 611,458

Business-type Activities

	Bonds	Capital Lease	Compensated Absences	Total
Balance at September 1, 2013	\$ 1,252,868	\$ 26,064	\$ 7,477	\$ 1,286,409
Additions	-	-	3,656	3,656
Deductions	(1,122,868)	(9,948)	-	(1,132,816)
Balance, August 31, 2014	\$ 130,000	\$ 16,116	\$ 11,133	\$ 157,249

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term general obligations, as shown on the statement of net position:

	Bonds	Capital Lease	Compensated Absences	Total
Current portion	\$ 123,000	\$ 21,617	\$ -	\$ 144,617
Long-term portion	591,052	5,537	27,501	624,090
Total	\$ 714,052	\$ 27,154	\$ 27,501	\$ 768,707

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

6. Dedicated Revenues and Restrictions

Certificate of Indebtedness – Series 2007:

Under the terms of the certificate of indebtedness, income and revenues of every nature earned by the Town is dedicated to the retirement of said certificate and are to be set aside into the following special account:

A monthly deposit into the “Town of St. Francisville, State of Louisiana, Certificates of Indebtedness, Series 2007, Sinking Fund” account a sum of 1/6 of the interest falling due on the next interest payment date and a sum equal to 1/12 of the principal falling due on the next principal date.

The Town of St. Francisville has complied with the above provisions.

7. Segments of Enterprise Activities

Two services, gas and water, are provided by the Town and are financed by user charges. The significant financial data for the year ended August 31, 2014 for those two services are as follows:

	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	\$ 818,920	\$ 352,349	\$ 1,171,269
Operating expenses (excluding depreciation)	656,550	306,601	963,151
Depreciation	76,068	80,056	156,124
Operating income (loss)	86,302	(34,308)	51,994
Interest income	93	45	138
Interest expense	1,438	12,673	14,111
Net income (loss)	1,006,651	(32,436)	974,215
Property, plant, & equipment additions	20,578	-	20,578
Net working capital	56,556	(556)	56,000
Total assets	1,549,306	814,726	2,364,032
Certificates of indebtedness payable	-	130,000	130,000
Net position	1,450,052	650,908	2,100,960

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

8. Defined Benefit Pension Plan

Substantially all employees of the Town of St. Francisville are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

8. Defined Benefit Pension Plan (continued)

A. Municipal Employee Retirement System of Louisiana (System) (continued)

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 9.75 percent of annual covered payroll. The rate was 8.75 percent for the months of September through June and increased to 9.75 percent in July 2014. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of St. Francisville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Francisville contributions to the System under Plan B for the years ending August 31, 2014, 2013 and 2012 were approximately \$52,262, \$48,802 and \$45,985, respectively.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8550 United Plaza Suite 501, Baton Rouge, Louisiana 70809-0200, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 31.5 percent of annual covered payroll. The rate was 31 percent for the months of September through June and increased to 31.5 percent in July 2014. The contribution requirements of plan members and the Town of St. Francisville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Francisville contributions to the System for the years ending August 31, 2014, 2013 and 2012 were approximately \$26,446, \$24,686 and \$28,003, respectively.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

9. Contingencies

The Town of St Francisville is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

10. Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At August 31, 2014, the Town's bank balances totaled \$634,924. Of these bank balances, \$634,924 was covered by federal depository insurance thereby not exposed to custodial credit risk.

11. Cash and Investments

A. Deposits

Under State law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At August 31, 2014, the carrying amount of the Town's deposits was \$634,924.

B. Investments

As of August 31, 2014, the Town had the following investments and maturities:

<u>Investment Type</u>	INVESTMENT MATURITIES (in years)			
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
General fund				
LAMP funds	\$ 93,734	\$ 93,734	\$ -	\$ -
Certificates of deposit	573,585	200,784	372,801	-
U.S. Agencies	70,767	34,986	35,781	-
Total General fund	\$ 738,086	\$ 329,504	\$ 408,582	-
Water fund				
LAMP funds	234	234	-	-
Total Investments	\$ 738,320	\$ 329,738	\$ 408,582	\$ -

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

11. Cash and Investments (continued)

B. Investments (continued)

Interest Rate Risk- The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk- Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. As of August 31, 2014, the Town's investments in U.S. Agencies were rated AAA by Standard & Poor's.

Concentration of Credit Risk- The Town places no limit on the amount the Town may invest in any one issuer. Approximately 9.6 percent of the Town's investment is in government and agency bonds. Approximately 72.8 percent of the Town's investment is in certificates of deposit.

Investments held at August 31, 2014 consist of \$93,968 (12.7 percent of total investments) in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at August 31, 2014 is not categorized into the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
NOTES TO THE FINANCIAL STATEMENTS

11. Cash and Investments (continued)

B. Investments (continued)

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

Credit risk: LAMP is rated AAA by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is NUMBER (from LAMP's monthly Statement of Net Position) as of DATE.

Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

12. Interfund Receivables and Payables

Interfund receivables and payables are the result of transfers between funds or collections made on behalf of one fund for another which are expected to be paid within one year. The Interfund receivables and payables as of August 31, 2014 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sales & Use Tax Fund	General Fund	\$ 469
Gas Fund	General Fund	2,250
Water Fund	General Fund	787
Total		<u>\$ 3,506</u>

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 13, 2015, and determined that there were no events that required disclosure. No subsequent events after this date have been evaluated for inclusion in these financial statements.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MAJOR FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

SALES TAX FUND

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system. All remaining proceeds from the tax may be used by the Town for any lawful purposes.

ECONOMIC DEVELOPMENT FUND

This fund accounts for the Town's expenditures to promote economic development and tourism.

ENTERPRISE FUNDS

GAS FUND

The Gas Fund is used to account for the activities of providing natural gas to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

WATER FUND

The Water Fund is used to account for the activities of providing water services to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 114,000	\$ 114,000	\$ 114,395	\$ 395
Occupational licenses and permits	157,000	173,000	174,271	1,271
Intergovernmental:				
Beer	7,000	7,000	7,244	244
Video poker	28,500	16,500	18,383	1,883
State supplemental pay	40,000	31,000	29,517	(1,483)
Grants	-	1,800	1,897	97
Charges for services	-	-	1,000	1,000
Fines and forfeitures	146,000	152,800	169,048	16,248
Other Revenue:				
Hospital detail	58,000	42,000	63,420	21,420
Utility franchise	92,000	120,000	132,229	12,229
Miscellaneous	31,000	41,300	73,494	32,194
Cable franchise	-	-	21,585	21,585
Interest	7,000	3,000	-	(3,000)
Total revenues	<u>680,500</u>	<u>702,400</u>	<u>806,483</u>	<u>104,083</u>
<u>EXPENDITURES</u>				
General government	355,445	193,950	298,146	(104,196)
Public safety	571,876	830,100	636,937	193,163
Streets	205,575	237,400	224,804	12,596
Capital outlay	25,000	30,000	40,954	(10,954)
Debt Service:				
Principal or lease retirement	-	-	11,216	(11,216)
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,157,896</u>	<u>1,291,450</u>	<u>1,212,057</u>	<u>79,393</u>
Excess of revenues over (under) expenditures	<u>(477,396)</u>	<u>(589,050)</u>	<u>(405,574)</u>	<u>183,476</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	369,000	45,000	529,858	484,858
Operating transfers out	-	(100,000)	(133,982)	(33,982)
Total other financing sources (uses)	<u>369,000</u>	<u>(55,000)</u>	<u>395,876</u>	<u>450,876</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(108,396)</u>	<u>(644,050)</u>	<u>(9,698)</u>	<u>634,352</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>1,227,560</u>	<u>1,227,560</u>	<u>1,227,560</u>	<u>-</u>
End of year	<u>\$ 1,119,164</u>	<u>\$ 583,510</u>	<u>\$ 1,217,862</u>	<u>\$ 634,352</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2014

	Original	Final	Actual	Favorable (Unfavorable)
<u>GENERAL GOVERNMENT</u>				
Insurance	\$ 90,000	\$ 85,000	\$ 74,420	\$ 10,580
Salaries and payroll taxes	162,410	16,500	137,332	(120,832)
Retirement	13,535	1,500	5,742	(4,242)
Professional services	16,500	48,000	39,068	8,932
Town Hall	1,500	500	382	118
Other	71,500	42,450	41,202	1,248
Total General	355,445	193,950	298,146	(104,196)
<u>PUBLIC SAFETY</u>				
Salaries and payroll taxes	335,544	510,500	352,354	158,146
Insurance	34,000	55,000	58,030	(3,030)
Education	-	-	300	(300)
Retirement	42,432	34,000	26,446	7,554
Gasoline	37,000	45,500	38,249	7,251
Utilities	9,800	16,000	42,621	(26,621)
Travel	4,800	7,500	7,234	266
Cell phone	4,000	4,000	3,873	127
Supplies	18,800	41,600	31,334	10,266
Other	85,500	116,000	76,496	39,504
Total Public Safety	571,876	830,100	636,937	193,163
<u>STREETS</u>				
Salaries and payroll taxes	64,915	75,200	72,701	2,499
Retirement	4,808	5,200	-	5,200
Electricity	43,000	46,000	46,186	(186)
Repairs and maintenance	47,000	26,000	25,311	689
Dump truck	29,000	42,000	41,001	999
All other	16,852	43,000	39,605	3,395
Total Streets	205,575	237,400	224,804	12,596
<u>CAPITAL OUTLAY:</u>				
General Government	-	-	3,163	(3,163)
Public Safety	10,000	20,000	27,496	(7,496)
Streets	15,000	10,000	10,295	(295)
Total capital outlay	\$ 25,000	\$ 30,000	\$ 40,954	\$ (10,954)

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SALES AND USE TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes:				
Sales tax revenues	\$ 675,000	\$ 670,000	\$ 678,573	\$ 8,573
Charges for services	200,000	195,000	204,771	9,771
Grant revenue	-	-	35,000	35,000
Interest	200	55	63	8
Other	2,000	7,700	1,976	(5,724)
Total revenues	<u>877,200</u>	<u>872,755</u>	<u>920,383</u>	<u>47,628</u>
<u>EXPENDITURES</u>				
General government				
Financial administration:				
Insurance	35,000	50,000	39,171	10,829
Professional services	40,000	15,000	12,446	2,554
Salaries	180,000	126,000	135,818	(9,818)
Payroll Taxes	14,401	20,000	18,030	1,970
Town hall	21,500	15,000	13,323	1,677
Retirement	16,198	22,640	18,650	3,990
Office supplies	13,000	14,500	15,183	(683)
Sales tax collector	21,000	26,500	26,203	297
All other	36,000	28,700	29,307	(607)
Total general government	<u>377,099</u>	<u>318,340</u>	<u>308,131</u>	<u>10,209</u>
Sanitation				
Salaries	83,772	120,000	107,632	12,368
Utilities	30,000	34,000	35,140	(1,140)
Repairs and maintenance	36,000	25,000	46,066	(21,066)
Sewer truck	13,500	14,500	14,351	149
Uniforms	2,300	2,500	2,726	(226)
Other	19,500	30,700	9,091	21,609
Total sanitation	<u>\$ 185,072</u>	<u>\$ 226,700</u>	<u>\$ 215,006</u>	<u>\$ 11,694</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SALES AND USE TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Capital Outlay				
General government	<u>\$ 10,000</u>	<u>\$ 25,000</u>	<u>\$ 39,860</u>	<u>\$ (14,860)</u>
Debt Service				
Principal or lease retirement	28,000	63,000	46,000	17,000
Interest and fiscal charges	<u>-</u>	<u>6,600</u>	<u>3,455</u>	<u>3,145</u>
Total Debt Service	28,000	69,600	49,455	20,145
Total expenditures	<u>600,171</u>	<u>639,640</u>	<u>612,452</u>	<u>27,188</u>
Excess of revenues over (under) expenditures	277,029	233,115	307,931	74,816
<u>OTHER FINANCING SOURCES (USES)</u>				
Bond proceeds	-	-	4,598	4,598
Operating transfers in	-	3,000	41,351	38,351
Operating transfers out	<u>(265,000)</u>	<u>(255,000)</u>	<u>(281,463)</u>	<u>(26,463)</u>
Total other financing sources (uses)	<u>(265,000)</u>	<u>(252,000)</u>	<u>(235,514)</u>	<u>16,486</u>
Excess of revenues over (under) expenditures and other uses	12,029	(18,885)	72,417	91,302
<u>FUND BALANCE</u>				
Beginning of year	<u>267,820</u>	<u>267,820</u>	<u>267,820</u>	<u>-</u>
End of year	<u>\$ 279,849</u>	<u>\$ 248,935</u>	<u>\$ 340,237</u>	<u>\$ 91,302</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2014

	Original	Final	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes:				
Hotel/Motel tax revenues	\$ 115,000	\$ 115,000	\$ 115,000	\$ -
Interest	52	60	65	5
Other	500	10,000	12,070	2,070
Total revenues	<u>115,552</u>	<u>125,060</u>	<u>127,135</u>	<u>2,075</u>
<u>EXPENDITURES</u>				
General government				
Financial administration:				
Insurance	4,000	7,500	8,171	(671)
Professional services	2,500	5,000	3,500	1,500
Salaries and payroll taxes	34,000	39,000	34,645	4,355
Town hall	6,500	4,500	0	4,500
Retirement	-	-	2,890	(2,890)
Office supplies	-	600	657	(57)
All other	40,900	47,100	49,542	(2,442)
Total general government	<u>87,900</u>	<u>103,700</u>	<u>99,405</u>	<u>4,295</u>
Sanitation				
Utilities	14,000	9,000	7,844	1,156
Repairs and maintenance	2,000	500	600	(100)
Total sanitation	<u>16,000</u>	<u>9,500</u>	<u>8,444</u>	<u>1,056</u>
Total expenditures	<u>103,900</u>	<u>113,200</u>	<u>107,849</u>	<u>5,351</u>
Excess of revenues over (under) expenditures	11,652	11,860	19,286	7,426
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	-	(4,000)	(5,026)	(1,026)
Operating transfers in	-	1,000	936	(64)
Total other financing sources (uses)	<u>-</u>	<u>(3,000)</u>	<u>(4,090)</u>	<u>(1,090)</u>
Excess of revenues over (under) expenditures and other uses	11,652	8,860	15,196	6,336
<u>FUND BALANCE</u>				
Beginning of year	14,909	14,909	14,909	-
End of year	<u>\$ 26,561</u>	<u>\$ 23,769</u>	<u>\$ 30,105</u>	<u>\$ 6,336</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
AUGUST 31, 2014
(Unaudited)

	<u>Salaries during the year ended</u> <u>August 31, 2014</u>
Mayor:	
William H. D'Aquila	\$ 12,000
Aldermen:	
James R. Leake, Jr.	3,600
Robert P. Leake	3,600
Abby Temple Cochran	3,600
Oscar Robertson	3,600
James C. Davis	3,600
	<hr/>
	\$ 30,000

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 2014

Coverage	Insurance Company	Expiration Date	Liability Limits
Commercial property	Alterra America Insurance Company	3/7/2015	\$3,396,059 Building & Business Personal Property
Inland marine	Alterra America Insurance Company	3/7/2015	\$322,561 Contractors Equipment \$350,000 Business Income with Extra Expense
Business Auto	Atlantic Specialty Insurance Company	3/7/2015	\$1,000,000 Combined Single Limit Liability
General liability	Atlantic Specialty Insurance Company	3/7/2015	\$1,000,000 each loss; \$2,000,000 aggregate
Crime Bond	Travelers Casualty & Surety Co of America	3/7/2015	Employee Theft: \$100,000
Employment practices liability	Atlantic Specialty Insurance Company	3/7/2015	\$1,000,000 each loss; \$2,000,000 aggregate
Law enforcement officer liability	Atlantic Specialty Insurance Company	3/7/2015	\$1,000,000 each loss; \$2,000,000 aggregate
Public entity management liability	Atlantic Specialty Insurance Company	3/7/2015	\$1,000,000 each loss; \$2,000,000 aggregate
Employee benefits liability	Atlantic Specialty Insurance Company	3/7/2015	\$1,000,000 each loss; \$2,000,000 aggregate
Workers' compensation	La. Municipal Risk Management Agency	10/1/2015	Statutory
Surety bonds	Record Insurance	10/1/2015	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position scheduled bond	Record Insurance	6/9/2015	\$50,000 each for mayor, town clerk, bookkeeper, plant controller
Boiler & Machinery	Hartford Steam Boiler Inspection & Ins. Co.	3/7/2015	Equipment Breakdown limit: \$50,000

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
SCHEDULE OF GAS AND WATER RATES
AUGUST 31, 2014
(Unaudited)

RESIDENTIAL CUSTOMERS – GAS

\$12.00 minimum monthly bill 0 to 1,000 cubic feet

\$11.00 all excess per 1,000 cubic feet

Effective April 1, 2010 Billing, all out of town customers add \$1.00 to minimum monthly bill.

SMALL BUSINESS CUSTOMERS – GAS

\$15.00 minimum monthly bill 0 to 1,000 cubic feet

\$11.00 all excess per 1,000 cubic feet

BUSINESS CUSTOMERS – GAS

\$30.00 minimum monthly bill 0 to 1,000 cubic feet

\$10.75 all excess per 1,000 cubic feet

RESIDENTIAL CUSTOMERS - WATER

\$14.00 per month for the first 2,000 gallons

\$2.80 all excess per 1,000 gallons

SMALL BUSINESS CUSTOMERS - WATER

\$20.00 per month for the first 2,000 gallons

\$3.00 all excess per 1,000 gallons

BUSINESS CUSTOMERS - WATER

\$60.00 per month for the first 10,000 gallons

\$2.50 all excess per 1,000 gallons

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of St Francisville, Louisiana, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the Town of St Francisville, Louisiana's basic financial statements and have issued our report thereon dated February 24, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of St Francisville, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of St Francisville, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of St Francisville, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. [14-01].

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of St Francisville, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. [14-02]

Town of St Francisville's Response to Findings

The Town of St Francisville's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of St Francisville, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Nathanville

Donaldsonville, LA
January 13, 2015

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2014

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☒ yes ☐ no

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

None

MATERIAL WEAKNESS

14-01 Segregation of Duties

Criteria: Segregation of duties should be adequate within the Town's accounting department to provide effective internal control.

Condition: There is inadequate segregation of duties within the Town's accounting department. As a result of this weakness, the following has occurred:

- ♦ The internal control system is not designed in a manner that allows for review of invoices for accuracy and appropriate expense and fund classification prior to the approval process performed by the Mayor and/or Board of Aldermen. In addition, the Town does not adhere to a strict documented invoice approval process.

Effect: The segregation of duties is inadequate to provide effective internal control.

Cause - Small businesses with few employees in an accounting department typically have difficulty with establishing formal internal control procedures. Although this is not a valid reason for the lack of documentation, cost effectiveness certainly needs to be considered.

Recommendation: Understanding that the Town's size may make it unfeasible to adequately staff an accounting department sufficient to segregate duties, we recommend that management consider the following:

- ♦ All invoices should be reviewed by the Mayor and he should note documentation of his review on the invoice.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2014

COMPLIANCE WITH STATE LAWS AND REGULATIONS

14-02 Advancement of funds to employee

Criteria: Town funds shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Condition: State Constitution of 1974, Article VII, Section 14, states that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Effect: Any funds loaned, pledged or donated to or for any person, association, or corporation, public or private is a violation of State Constitution of 1974, Article VII, Section 14

Cause: The Town advanced funds to an employee in the amount of \$1,980.

Recommendation: The Town shall establish procedures to ensure Town funds are not loaned, pledged, or donated to or for any person, association, or corporation, public or private, to ensure compliance with State Constitution of 1974, Article VII, Section 14.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2014

SIGNIFICANT DEFICIENCIES

13-01 Documentation and Design of Internal Control

Condition: Management should improve its documentation of the components of internal control (including control environment, entity's risk, information and communication systems, control activities, and monitoring). In addition, there is inadequate design of internal control over the preparation of the financial statements being audited.

Recommendation: We suggest that management identify and document its financial statement risk and set up controls to mitigate this risk.

Current Status: Management has documented the Town's policies and procedures including the internal controls. Also, management intends to continue to use the external auditors' to assist in preparation of the financial statements. All information will be reviewed in detail and approved. Town management will accept responsibility for the financial statement and its disclosures and content.

MATERIAL WEAKNESS

13-02 Segregation of Duties

Condition: There is inadequate segregation of duties within the Town's accounting department. As a result of this weakness, the following has occurred:

- ◆ The internal control system is not designed in a manner that allows for review of invoices for accuracy and appropriate expense and fund classification prior to the approval process performed by the Mayor and/or Board of Aldermen. In addition, the Town does not adhere to a strict documented invoice approval process.
- ◆ The internal control system is not designed in a manner that allows for review of approval of adjustments to utility customer accounts. The utility clerk has the ability to make adjustments to customer accounts without approval.

Recommendation: Understanding that the Town's size may make it unfeasible to adequately staff an accounting department sufficient to segregate duties, we recommend that management consider the following:

- ◆ Invoices should be reviewed by the accounting supervisor in detail for accuracy and the appropriate expense and fund classification should be documented on the invoice. Subsequently, all invoices should be reviewed by the Mayor and should note documentation of this review.
- ◆ All adjustments to utility customer accounts should be reviewed and approved by the Mayor. Documentation of the approval should be noted on the adjustment report. An adjustment report should be generated on a monthly basis and reviewed by the accounting supervisor for proper approval of all adjustments.

Current Status: A similar finding was noted in the current year audit.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2014

COMPLIANCE WITH STATE LAWS AND REGULATIONS

13-03 Louisiana Budget Law

Condition: Louisiana Revised Statute 39:1311A(2) requires that the budget be amended when total expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Recommendation: The Town shall advise the governing authority in writing when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Current Status: There are no similar findings noted in the August 31, 2014 audit.

13-04 Sale of Property by a Municipality

Condition: Louisiana Revised Statute 33:4712(F) authorizes a municipality to sell movable property, which has an appraised value of \$5,000 or less. Notice of the proposed sale must be published at least fifteen days prior to the date of the sale and must be made to the highest bidder.

Recommendation: The Town shall establish procedures to ensure the publishing of proposed sales at least fifteen days prior to the date of sale of the property to ensure compliance with Louisiana Revised Statutes.

Current Status: There are no similar findings noted in the August 31, 2014 audit.



CORRECTIVE ACTION PLAN

January 13, 2015

Louisiana Legislative Auditor

The Town of St. Francisville respectfully submits the following corrective action plan for the year ended August 31, 2014.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

Audit Period: September 1, 2013 – August 31, 2014

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

14-02 Segregation of Duties

Recommendation: Understanding that the Town's size may make it unfeasible to adequately staff an accounting department sufficient to segregate duties, we recommend that management consider the following:

- ◆ All invoices should be reviewed by the Mayor and he should note documentation of his review on the invoice.

Management's Response: We concur with the finding and will implement appropriate review procedures over invoices.

Mayor • William (Billy) D'Aquila • Alderman • James R. Leake • James Davis • Oscar Robertson, Jr. • Robert P. Leake, Jr. • Abby T. Cochran

P. O. Box 400 • St. Francisville, LA 70775 • Phone (225) 635-3688 • Fax (225) 635-6984 • email: townofsf@bellsouth.net

"This Institution is an Equal Opportunity Provider"

Soothing to the soul

COMPLIANCE WITH STATE LAWS AND REGULATIONS

14-02 Advance of funds to employees

Recommendation: The Town shall establish procedures to ensure Town funds are not loaned, pledged, or donated to or for any person, association, or corporation, public or private, to ensure compliance with State Constitution of 1974, Article VII, Section 14.

Management's Response: We concur with the finding. The Town will implement procedures to insure no funds are loaned, pledged or donated to any person, association or corporation.

Sincerely,



Billy D'Aquila
Mayor